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January 7, 2005

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Cotton Valley Formation, Reservoir A, WEST
LISBON FIELD, Claiborne Parish, Louisiana.

Dear Sir:

RABALAIS OIL & GAS, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Cotton Valley Formation, Reservoir A, in the West Lisbon Field, Claiborne Parish, Louisiana:

1. To authorize Applicant to drill, designate and utilize an additional alternate unit well for CV RA SUC at the location shown on the attached plat, which location complies with the well location provisions of Office of Conservation Order No. 334-E, effective July 23, 1982.
2. To find that the proposed alternate unit well is necessary to efficiently and economically drain a portion of the Cotton Valley Formation, Reservoir A, underlying CV RA SUC which cannot be efficiently and economically drained by any existing well on such unit.
3. To permit the Operator to produce the assigned unit allowable from either the unit well, any alternate unit well, or from any combination of such wells, at the option of the Operator.
4. To discuss such other matters as may be pertinent to this application.

The Cotton Valley Formation, Reservoir A, in the West Lisbon Field, Claiborne Parish, Louisiana, was defined in Office of Conservation Order No. 334-E-1, effective March 15, 1983.

Pertinent data concerning this application is available for inspection at the offices of Rabalais Oil & Gas, Inc., 817 Florence Street, Fort Worth, Texas 76102. Any person wishing to inspect such data should call Mr. F. W. Rabalais at (817) 332-2584 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not

Honorable James H. Welsh
January 7, 2005
Page 2

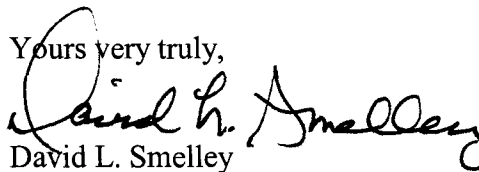
otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of the attached plat, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of West Lisbon Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

A check payable to the Office of Conservation and covering the application fee is enclosed.

Yours very truly,

David L. Smelley

-- Attorney for Rabalais Oil & Gas, Inc.

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. F. W. Rabalais (w/encls.)
Mr. Joe B. Adams (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plat only)

